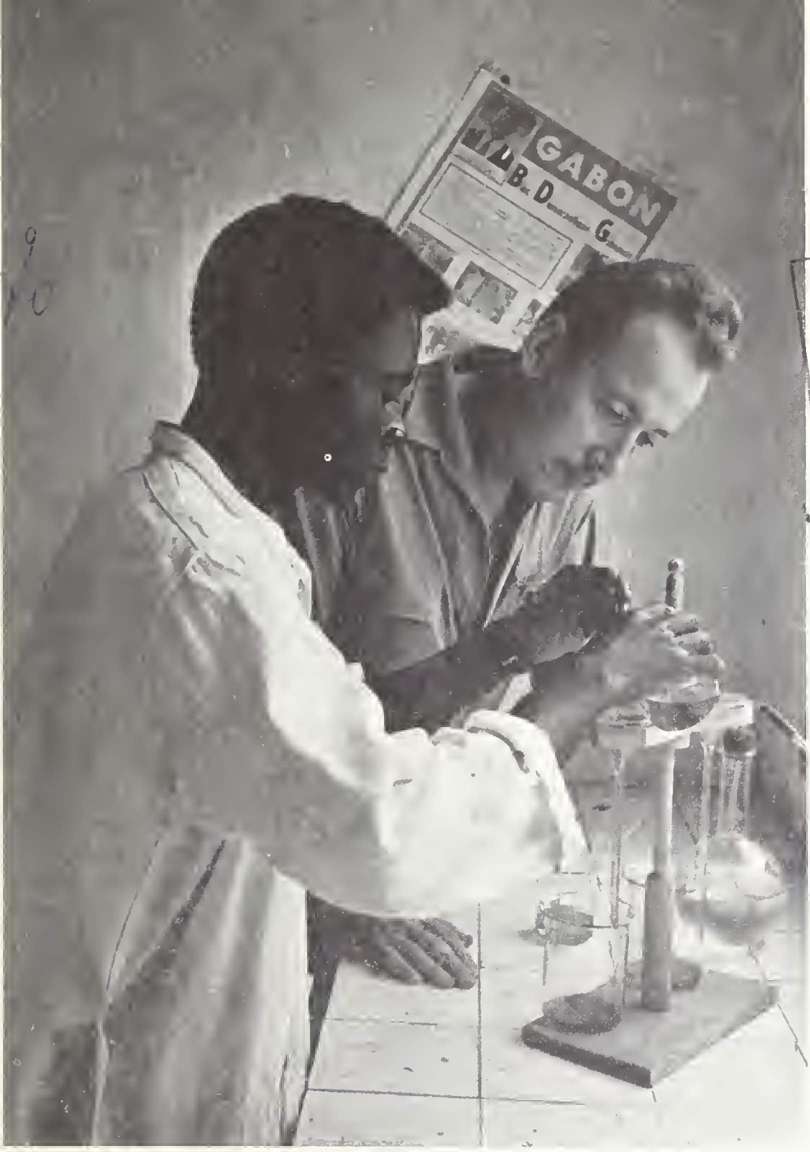

MARCH 29, 1965

AFRICAN ISSUE:

UGANDA TWO YEARS AFTER INDEPENDENCE

OUR MARKET IN AFRICA

AFRICA'S COCOA AND COFFEE FACE WORLD SURPLUSES

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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All over Africa today young technicians are being trained in laboratory research, both industrial and agricultural. Here the quality of manganese ore is being tested, in Gabon.

Contents

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AFRICA TODAY: a new image

Cattle cross Niger River over new bridge.

Surveying for a new dam in Ghana.

For generations, many Americans thought of Africa as the Dark Continent. Their geographies taught them that it was bounded on the north by the Great Sahara Desert but that the heart of the world's largest land mass was deep jungle, peopled by pygmies and warring tribes who made life uncomfortable for missionaries, explorers, and big game hunters. Though somewhat erroneous, this image lasted nearly up to World War II.

Today America's interests in Africa have been broadened by the rapid political changes taking place there, particularly the emergence of many new African nations. Most Americans now are concerned about what the United States can do to help Africa develop stable nations able to make their own unique contributions to the world community. They want to know what can be done to further the legitimate aspirations of the Africans for a better life. Also, American farmers and businessmen are interested in what this great continent offers as a possible market.

A power in world affairs

Africa's transformation into a politically dynamic continent embracing 37 independent countries is one of the most significant developments of the postwar period. Its growing importance in world affairs can be seen in the United Nations, where it now has more members than any other continent.

Africa's struggle for independence has been difficult, but not as difficult as the problems of economic and social development now being faced by the newly emerging countries. Immediate economic development is greatly hampered by shortage of technical skills at almost all levels and by the lack of adequate transportation facilities, which are fundamental to all other forms of development. Other problems requiring monumental efforts to overcome are the eradication of disease, and the conquest of ignorance and poverty.

Despite these social and economic obstacles, despite the political problems—the war and horror in the Congo, the anti-Western demonstrations, the pressures in South Africa—the African Continent is quietly making some important economic gains. Expanded output of oil, minerals, and agricultural crops in 1964 brought it one of the strongest upsurges in exports in recent years. Gradual betterment of living standards is now evident in many countries; and improvements can be noted too in transportation, power, new industries, and schools.

Notable gains last year

In 1964, the United Arab Republic finished the first stage of the Aswan High Dam, and further south, the Akosombo Dam, one of Africa's largest engineering projects, was completed to provide Ghana with an abundance of cheap power. Liberia's total output of iron ore was 13 million tons, about twice the total for 1963. Higher prices for Robusta coffee gave Uganda one of its most prosperous years, and Nigeria, the most populous country in Africa, continued its slow, steady economic growth. In most of the other countries, growth has been gentle but discernible. Notable exception was the Congo (Leopoldville); its ravaged and still rebellious northeast area has become an economic wasteland.

Africa will very likely continue its strong economic growth this year. Larger output of basic export crops such as cotton, coffee, cocoa, peanuts, and oil palm products is expected. Mining and petroleum activities will continue to expand rapidly.

Both its promise and potential are great, but Africa has a very long way to go. Most of the continent's population of 300 million must still live at a subsistence level, and the gap between the African countries and the developed nations of the world is a wide one. However, it is now possible, with outside help, to progress economically at a more rapid pace, and this most of the new African nations are trying to do. —EDMUND H. FARSTAD

Foreign Regional Analysis Division
Economic Research Service

Uganda Doing Well After Two Years of Independence

But it knows that its expanding production of major export crops such as coffee, cotton, and tea must be supplemented by new crops and enterprises.

By WILLIAM R. HATCH
U.S. Agricultural Attaché
Nairobi, Kenya

Uganda moves into its third year of independence in a sound economic condition. Favorable rains during the past few years have brought increased crops, both of basic foods and of export commodities; and 1964 was a record agricultural year in many respects.

In 1964, prices and returns from exports were also very favorable. Total exports brought in $168 million compared with $143 million in 1963; imports were $84 million against $87 million the year before. Coffee has been the principal export crop in recent years, followed by cotton, tea, hides and skins, oilseeds, and sugar.

Rich in agricultural resources

Uganda's natural resources are adequate for considerable expansion of agriculture, and the overall picture is bright. However, there are a number of problems to be met—among them, that of finding or maintaining markets for the major export crops like coffee, cotton, and (more recently) tea. Solving this and other agricultural problems will take time and may slow down the rate at which expansion can be achieved.

Uganda is fortunate in its abundance of rich soil and generally adequate rainfall. Located on the Equator, it has elevations ranging from 2,000 feet where the Nile enters the Sudan at Nimole to over 9,000 feet in the Mountains of the Moon near the Congo border. Though there are some rough mountain areas and some deserts, a high percentage of the land is suitable for cultivation. Uganda has had no real pressure on its land; in spite of the many refugees from the Congo, Burundi, Rwanda, and the Sudan, it still has large tracts of good land that have not yet been developed.

The African farmers in Uganda are on the whole much better off than those in either of the sister Republics Kenya and Tanzania. Their main difficulty is in the lack of balance in their diet. Although their food is adequate in quantity, it has a considerable lack of protein.

Coffee and cotton—problems and potential

Except for sugar and tea, most Ugandan crops are grown on small mixed farms where the basic element is subsistence. Cash crops are produced in addition to the basic foods—such as bananas, millet, sorghum, and corn—that are consumed on the farms. There is now a program to work the small farmers into the production of sugar and tea, as "outgrowers." This subsistence type of farming, where the farmer produces his own food, makes him as independent of price and market fluctuations as possible and at the same time provides cash for nonagricultural items he may desire to buy.

Production of coffee—around 175,000 long tons in 1963-64, or about the same as the year before—is likely to move upward for the next few years, and this prospect presents some difficulties in marketing. Prices were good in 1963-64, and the value of Uganda's coffee exports was $98 million—well above the previous year's $76 million. But the last of the 1963-64 coffee crop was shipped on consignment, for Uganda did not want to undership its quota; and at the end of the year prices had weakened somewhat. About 20,000 tons were shipped unsold.

The coffee quota is about 110,000 tons, with the outlook of at least a temporary reduction for this year. With production expected to reach about 180,000 tons, it will be difficult, if not impossible, to find new markets for the excess. In this way Uganda is being squeezed on its chief export crop. Also a problem to the country is the drastic drop in the price of Robusta coffee. Present prices are around $490 per ton, compared with $918 per ton in April 1964.

The No. 2 export crop—cotton—reached 375,000 bales in 1963-64. Exports were 351,000 bales and 30,000 were used in the local textile industry. This crop, though slightly higher than the 358,531 bales of the previous year, was still far from the 500,000 bales at which Ugandan authorities have been aiming. Production is likely to continue at between 250,000 and 400,000 bales a year in the foreseeable future.

Possibly, reaching the 500,000-bale goal might raise more problems than it would solve. Uganda has been concerned over its cotton sales during the past few years. When its other markets were quiet, it sold the largest part of its crop to China. However, in 1964 India again became the largest importer of Uganda's cotton.

New and alternative exports pushed

Production of tea, the newest export crop, continues to expand, both on large estates and on small grower projects. Total acreage in tea at the beginning of 1964 was 22,748. The 1964 crop set a record of 16.6 million pounds, compared with 13.6 million the year before; but this year's crop is forecast to break that record with 18 million.

The government has a keen interest in tea, and through the Uganda Development Corporation—a quasi-governmental body—is actively promoting tea production and processing. New tea estates are being established to supplement existing ones; a substantial outgrower program is planned; and tea processing plants are being built. Another interesting development is the soluble tea now being perfected at the new Solutea plant at Kampala. This product is now on the U.K. market on a trial basis.

Indications are that the tea market will be good for some time to come, but many countries besides Uganda are expanding their tea programs. The question is, can markets keep pace with this rapid increase in output?

An exportable surplus of sugar appears likely within a short time. Uganda's sugar production in 1964 totaled 123,000 tons; a new plant at Sango Bay, with a capacity

The No. 2 export crop is cotton (being weighed, above, and picked, right). No. 1 is coffee (being dried on farm, below at right). The unique Ankole cattle, below, offer promise in the expansion planned for livestock.

of 60,000 tons per year, is due to begin operation this year; and arrangements are underway for the production of 100,000 additional tons by a new company backed with Indian and Ugandan capital.

Ugandan producers can sell their sugar at a profit on the protected local market, and local consumption is increasing rapidly. But Kenya and Tanzania are pushing sugar production also, and it is anticipated that East Africa as a whole will be a net exporter in 4 or 5 years. Thus Uganda's sugar will have to compete on the world market. The high cost of inland freight to the Port of Mombasa, point of departure for these exports, will make this a difficult task.

As Uganda looks to the future, it is giving considerable thought to new crops and enterprises that will help improve its economy by providing either more produce for local consumption or additional material for export. Probably the strongest effort is being expended on the livestock industry. Plans include tsetse fly eradication and the establishment of large ranches in the Ankole area, as well as the building of a new abattoir and canning plant at Soroti in Teso. A number of new dairy herds are being founded near Kampala and in the Fort Portal area.

Other new developments and experiments on new crops include vanilla plantations, with a new processing plant; plantings of cocoa, with a drying plant for the beans; and the production and extraction of geranium oil. Under consideration are a lime oil project and small acreages of other special pharmaceutical and essential oil crops.

In its program for agricultural expansion and diversification, Uganda has one problem it shares with other former colonial countries: the rapid departure of the trained personnel who have handled technical matters both in the various Ministries and in the special marketing organizations. These responsible jobs, usually requiring years of experience, must now be filled by the limited number of trained Africans available. These men, even though they may be of high calibre, lack the necessary experience; and their rapid promotion leaves vacant the supporting tier of jobs. Proper staffing and the training of competent personnel will probably be the most difficult problem facing Uganda's Government in the next few years.

Africa's Cocoa and Coffee Faced With World Surpluses

Two of Africa's big moneymakers—coffee and cocoa—are among the world's surplus crops. Coffee has been in that position for a number of years, but only after 1960, when one large crop followed another, did world cocoa inventories build up to a surplus position. Yet last year, though the same oversupply situation existed for both commodities, coffee made more money for the African nations that export it, whereas some cocoa countries saw their foreign exchange earnings fall off, partly as a result of the Cocoa Producers Alliance ban on sales during the last quarter of 1964.

Demand was strong for both crops. Exports of coffee from the African countries in 1964 were near the 15-million-bag level, but the cocoa-growing countries were holding large supplies by yearend to influence price. Coffee gained from reports that the Brazilian crop would be smaller—as it was; consequently, prices for Africa's Robusta coffee soared in the early months of the year, and even though they dropped later, they averaged out at a record 37.2 cents a pound. Cocoa prices continued the downward trend that started 5 years ago, though recovering somewhat in 1963. Average selling price of Accra cocoa in 1964 was 23.4 cents a pound, N.Y. spot price.

Thus, while African coffee probably brought in more than $600 million last year, the continent's bumper cocoa crop was probably down from over $400 million the year previous. For a number of African nations that count on cocoa for foreign exchange, this was an economic blow.

Coffee's spectacular rise

Africa now produces some 25 percent of total world production of coffee and exports about 30 percent of all coffee entering world trade. There are more countries exporting coffee in Africa than in any other continent, and in several of these countries, exports account for half or even more of the foreign earnings.

The rise of coffee output in Africa has been spectacular. Production in 1963-64 totaled nearly 17 million bags (132.3 lb.), about 70 percent greater than the 1955-59 average and six times the 1935-39 average. The Ivory Coast is now the world's third largest coffee producer, and Angola and Uganda are not very far behind. Other relatively large producers include Ethiopia, Cameroon, Republic of the Congo, Kenya, and the Malagasy Republic.

Africa produces both Arabica and Robusta coffee, but the latter accounts for about 80 percent of total output. Also, of the world's Robusta coffee crop Africa produces close to 90 percent. The Robusta-type coffees have been used largely in the manufacture of instant, or soluble, coffee; and the increase in coffee production in Africa has closely paralleled the increase in consumption of instant coffee. Price has been a factor too: Robusta prices (wholesale New York) have averaged about 25 cents a pound for the past 5 years, while those of Arabica have averaged about 40 cents.

U.S. the biggest customer

The United States is by far the largest importer of African coffee, in recent years taking some 20 percent of its coffee purchases from there; in fact, in the past 5 years these imports have shown a big increase. In 1964, the United States took more African coffee than ever before—over 6 million bags, up 20 percent from 1963. France has also been a very large taker of African coffees, especially from its associated overseas territories. Western Germany has been a market for Kenya's Arabica coffee.

Most of the African countries are now members of the International Coffee Agreement and have export quotas under this arrangement. As shipments can be made to non-traditional markets outside the export quotas, sales to these countries—largely the Soviet Union, Japan, and other Far Eastern nations—are being promoted.

The African coffee countries are only too conscious of the world surplus situation that has developed for coffee, and most of them, notably the Ivory Coast, Kenya, Uganda, Angola, and Cameroon, have halted their coffee expansion in favor of diversified crops. Even though 1964 was a fairly prosperous year, there is no indication that 1965 will be another one. Prices for Robusta are now below 30 cents a pound, and that they will rise to bring in last year's profits is unlikely. Furthermore, the manufacture of soluble coffee is constantly changing, and the future of Robusta may not continue to parallel soluble coffee consumption. Some coffee-growing countries are hoping to better the situation by manufacturing their own soluble coffee for export, as is now being done in a newly built plant in Abidjan, Ivory Coast.

Two countries grow half world's cocoa

Unlike coffee, which is indigenous to Africa, cocoa was introduced there from its native habitat of Latin America, where witches'-broom disease had devastated the cocoa plantations. The disease was not transmitted to Africa, nor has it ever appeared there.

Today three-fourths of the world's cocoa is grown in African countries; and two, Ghana and Nigeria, produce over one-half. A decade of high prices in the 1950's stimulated output, but the increase came largely from higher yields rather than greatly increased acreage, as was the case with coffee. For many years research has been conducted to combat disease and pests, and marketing boards, set up to control quality and handle sales, have guaranteed foreign buyers a uniformly high-grade product.

The phenomenal increase in Africa's cocoa output began 5 years ago. In 1963-64, African production reached a peak of 930,000 metric tons, and the outlook for this year calls for about a 25-percent increase to 1.2 million.

Attempts to control market

Cocoa growers all over the world saw the surplus situation developing, and in 1963 both growers and consumers met under the auspices of the United Nations Food and Agriculture Organization to discuss an international cocoa agreement. No agreement materialized, as the price cocoa growers wanted was too high.

Nevertheless, immediately after this meeting, six cocoa countries—Ghana, Nigeria, Brazil, Ivory Coast, Cameroon, and Togo—made the first attempt to regulate the international cocoa market by setting up the Cocoa Producers Alliance. They signed an agreement among them-

(Continued on page 16)

How the Face of AFRICA Is Being Transformed

No other continent has undergone so profound a change in the last 15 years as Africa, and not all of this change has been political. A vast structural transformation is taking place there affecting every aspect of African life. To accomplish it, loans and grants amounting to many millions of dollars have been made. The World Bank, since 1948, has loaned nearly $1.2 billion.

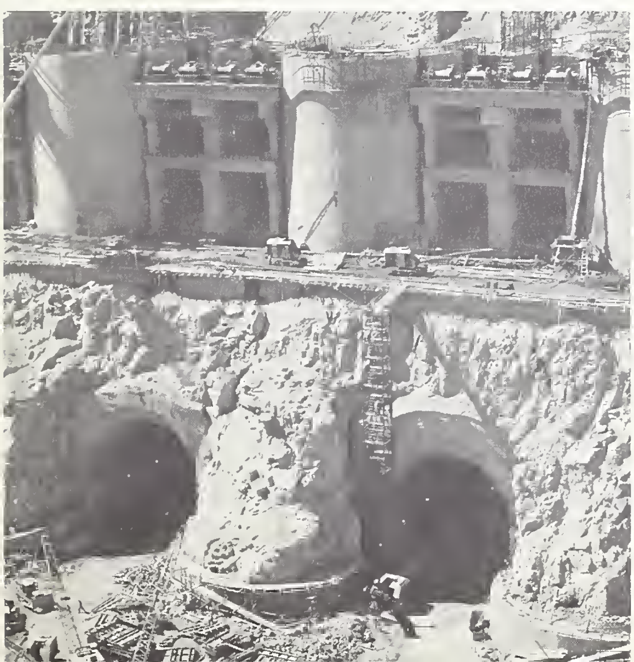
In Africa, as in other parts of the world, shortages of transport and power are obstacles to both economic progress and agricultural development. These therefore have had priority.

All over Africa new railways are running, new roads are carrying goods to market—and more are being built. Dams, some finished, others to be completed, in the next few years, are harnessing rivers to provide electric power for industry and irrigation for cropland. In Nigeria an entirely new port has been built, and in other countries, warehouses and loading facilities have been modernized, permitting Africa's products to move into international trade at a faster pace than ever before.

Sudan's Managil Project, of which this lockgate is a part, will irrigate some 830,000 acres of new cropland.

Below, young Ethiopians watch earthmover constructing highway. Right, heavy rails are laid to recondition Nigeria's rail lines.

Best known project in Africa is Egypt's Aswan High Dam, scheduled for completion in 1970 at a $1 billion cost.



Unloading cargo at Nigeria's new Port of Lagos, which now offers one of the finest anchorages on Africa's west coast.

Above, rubber seedlings, and, right, boar at Liberia's Central Agricultural Experimental Station, Suakoko. Progeny of such stock are given to Liberian farmers.

Rubber-Producing Liberia Is Good U.S. Trade Partner

The steady economic growth that Liberia has experienced over the years has been slowed by an economic recession. While the recession will for the time being mean more belt tightening, an increased rate of unemployment, and little agricultural expansion, it is not expected to affect materially Liberia's long-term strong trade ties with the United States.

Trade between these two countries has long been steady and mutually beneficial. Each year, Liberia ships to the United States about half its agricultural exports and, in turn, takes from the United States over half—$7 million to $8 million worth—of its farm imports.

Trade in rubber and rice

Over the decade ended in 1963, Liberia's exports doubled, from $31 million to $67 million. Iron ore—noted for its high quality—replaced rubber as the leading export commodity in the 1960's and in 1962 accounted for half the country's exports.

In agricultural trade, however, rubber still dominates the picture, and most goes to the United States, which takes about one-third of its latex imports and 5 percent of its crude rubber imports from Liberia. The United States also buys smaller quantities of Liberian palm kernels, coffee, and cocoa.

Major Liberian imports from the United States are rice—for which this country is the largest supplier—and processed items, including canned and frozen meats and poultry, canned and frozen fruits and vegetables, other packaged convenience foods, and cigarettes. Processed items go largely to the higher-income group.

This import pattern will probably continue for some time, as the vast majority of Liberia's farmers produce on a subsistence level, meeting their basic needs only. The government is, however, making efforts through "Operation Production" to increase the quantity and improve the quality of agricultural goods. It plans to offer technical assistance, distribute improved seed, construct market access roads, and encourage the establishment of processing facilities for farm products.

More rice to be produced

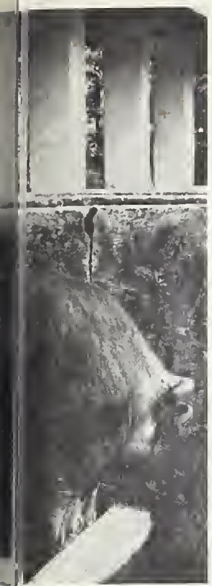
One objective is to become more self-sufficient in rice—the most important staple food. Production is to be expanded under the second phase of the Swamp Rice Agreement, reportedly just signed, with the Food and Agriculture Organization of the United Nations. The first phase of the program was limited to pilot production areas, but the second will implement expansion on a national scale, providing for further improvement of varieties and methods of cultivation.

Production of rubber—keystone of the agricultural economy—declined in 1963 to 40,938 metric tons from 44,627 a year earlier, but the circumstances causing this were more or less temporary. The drop came mainly because of an 11-day strike at the country's major plantation, plus that plantation's program of replacing lower yielding trees with improved varieties. Also, some smaller Liberian producers went out of business owing to declining rubber prices and increasing labor costs.

Plans for livestock, poultry industries

Efforts are being made to expand Liberia's livestock industry, which is currently estimated to have a total cattle population of about 13,240 head. Most of the industry is in the extreme northwestern and southeastern parts of the country, where mainly native-type cattle are kept on open pasture and slaughtered and consumed locally. These local cattle are to be improved through crossbreeding.

The poultry industry, which has suffered from a sluggish consumer demand in recent months, is expected to



Above, Liberian farmer demonstrates to visiting government officials and local citizens the use of a rotatiller in plowing rice paddy. Below, stand from which Liberians scare away birds invading paddy.

N'dama cattle (above) are raised because of their resistance to trypanosomiasis (sleeping sickness in human beings).

expand as recovery from the recession advances. According to the Department of Agriculture, there are now 33 poultry producers in Liberia with a total of 53,000 laying hens. The Department estimates that broiler production reached 200,000 tons in 1963.

A modern slaughter plant for livestock and poultry is under construction in Monrovia and should be completed in the near future. The plant—being financed by a Yugoslav loan of approximately $550,000 and built by Yugoslav technicians—will import live cattle for slaughtering and processing in the near future, but it supposedly will switch to local animals as the local industry develops.

Other commodities marked for expansion under the country's development program are fruits and vegetables, cassava, sugarcane, peanuts, and tobacco.

—Dudley G. Williams
U.S. Agricultural Attaché, Monrovia

AGRICULTURAL NOTES from AFRICA: 1964

ANGOLA—Last year Angola's production of coffee, iron ore, and oil soared. The country's trade balance for the first 9 months showed a $33.25-million surplus, or three times that of the previous year. Farm crops and fish production also expanded.

CAMEROON—With a minimum of outside assistance, Cameroon ended the fourth year of its first 5-year plan with a favorable balance of trade. Exports for 1964 totaled $75.3 million (18.6 billion francs) and imports $65.6 million (16.2 billion francs). Of the exports, agricultural products accounted for $48.7 million (12 billion francs), and consisted of cocoa, bananas, coffee, palmettos, cotton, and peanuts, in that order.

The Common Market is the best customer for Cameroon's products, with France taking the largest single share. However, last year the United States became a substantial buyer; in the first 7 months it bought $6.8 million worth.

CHAD—This new republic in the heart of Africa saw its cotton exports rise from $17.2 million worth in 1963 to $14 million for the first 6 months of 1964. France accounts for most of the purchases but the United Kingdom is also a buyer. The year also saw a steady rise in the value of peanut exports—a crop that the French introduced to lessen the dependence on cotton. In 1963 peanuts brought in $216,000 in foreign exchange, but for the first 6 months of 1964 earnings were up to $265,000.

DAHOMEY—Next month this former French territory will open a new deep-water harbor at Cotonou, which will enable it to ship more of its agricultural products abroad. A country with few industries, Dahomey relies heavily on agricultural exports, of which palm nuts and kernels are the largest items.

GHANA—The oldest of the new African nations, Ghana ended the year in an unfortunate financial position. By cutting back imports in 1964, the country's balance of trade position was improved, but this check caused shortages, particularly in flour and sugar. Ghana is the world's leading cocoa producer, and the most immediate cause of its economic plight has been the fall in cocoa prices because of the oversupply on world markets.

IVORY COAST—Current estimates indicate the country's total 1964-65 coffee crop at about 222,000 metric tons, with exportable supplies of around 219,000 tons. (The United States usually takes about one-third of the coffee exports.) Though large, this is below the record crop of the previous year, largely because of inadequate rainfall during part of the growing season.

Currently, the Ivory Coast plans to receive an export quota under the International Coffee Agreement totaling 170,000 metric tons; this includes the regular quota of 138,000 tons plus a supplement of 32,000 tons. Also, the country is reported to be actively cultivating new markets in the Middle and Far East and hopes to sell the remaining 1964-65 coffee production in those areas.

Meanwhile, the Ivory Coast has drawn up plans to diversify its agriculture by large-scale commercial production of palm oil, cotton, rubber, and coconuts. With the assistance of the European Development Fund, it hopes to bring almost 400,000 acres of palm oil plantations into production, making this a major export commodity.

MALI—An independent republic since 1960, this big land-locked country has set as its development goal the construction of food-processing plants. Mali is already beginning to convert part of its peanut crop into pressed oil, which brings better returns on international markets.

In the past Mali's most profitable export has been peanuts, shipped green. In the future, livestock may offer the greatest potential in view of the country's large herds. A major source of slaughter cattle for neighboring countries, Mali is currently improving its slaughtering facilities and studying ways of developing a meat export business. New plants are now under construction which will have an annual combined capacity of 20,000 metric tons. The Malian Government is also stepping up the battle against animal pests and diseases and is experimenting with crossbreeds between local and imported cattle.

MOZAMBIQUE—This Portuguese East African territory, which is twice the size of California, registered marked economic progress in 1964, with the major increases in sugar refining, beer, and jute manufactures.

NIGERIA—Bad weather cut back on agricultural output last year, putting the country behind schedule in the fulfillment of its 6-year development plan.

Cocoa remained the country's leading foreign exchange earner, and although its production was some 30,000 tons over the previous year's figures, declining world cocoa prices reduced 1964 earnings. It is doubtful that they will surpass the 1963 figure of $32.4 million.

Peanuts—the main cash crop of Northern Nigeria—suffered from bad weather a second year in succession. Production was down to 786,924 tons compared to 871,000 in 1963. Palm kernels and palm oil—Eastern Nigeria's main cash crops—were also down.

RHODESIA—Crisis followed crisis in Rhodesia last year, but despite its troubles and the slicing away of Northern Rhodesia and Nyasaland (now Zambia and Malawi), the country's economy showed a sizable trade surplus—around $95 million—by the yearend. The biggest letdown was tobacco, its export mainstay. The enormous 324-million-pound crop brought in a disappointing total of $100 million.

SIERRA LEONE—Though still on a small scale, the growing of tobacco in this West African country is progressing. Started by a British-American tobacco company, it is a pioneer effort at diversification: farmers are encouraged to grow tobacco on part of their land along with rice and cassava, and are supplied with seedlings, fertilizer, and instruction. Last year's crop is estimated at 277,000 pounds. The average yield was 480 pounds an acre, although yields up to 1,800 pounds were attained.

Coffee production in Sierre Leone, as in some other producing countries, is characterized by alternate years of high and low production; and although 1964-65 is an off year, the estimated production of 6,000 tons is about the same as last year. This is attributed to new planting coming into production and offsetting the lower yields.

UGANDA—Favorable weather in 1964 brought increases in Uganda's main crops—coffee and cotton—as well as in tea, sugar, and such subsistence crops as bananas and corn. Trade boomed too, with much of the prosperity coming from the higher prices earned by the country's Robusta coffee. (See Uganda article on p. 4.)

Developing Markets for U.S. Agricultural Products in Africa

By DAVID L. HUME
Assistant Administrator, Export Programs, FAS

The African Continent—with its 57 countries and territories, each in a different stage of economic development—offers a challenging opportunity to U.S. agricultural exporters.

The difficulties and hazards for the exporter are numerous: lack of roads, modern transportation, and storage facilities; low density of population and great distances between markets; cultural differences (radio stations in Ghana broadcast in 16 languages); average per capita income of $100 a year; and political unrest.

Returns could be high, however, for the enterprising exporter with an eye to the future who gets in on the ground floor in molding consumer tastes and building a reputation for efficient servicing of trade needs.

The fact that African countries have largely agricultural economies whose primary goal is agricultural self-sufficiency need not be an unassailable barrier. In many cases self-sufficiency may be a long way off; in some cases it may never be attained. (Even France, Europe's biggest agricultural producer, imports some $2.3 billion of farm products a year.) Too, consumer tastes may be encouraged that U.S. products can best satisfy.

U.S. competitors busy in Africa

On the other hand, consumer purchasing may follow the leads established by non-U.S. exporters—and there are many of them hard at work throughout the continent. An American active in market development in Africa recently remarked on the large number of Australian, Italian, British, French, Danish, and Israeli businessmen he found in one country after another in Africa.

There have been notable commercial successes on the continent. A well-known American soft drink, almost unobtainable 10 years ago, can now be found almost everywhere. Literally miles of clothing and household goods have been stitched on an equally well-known imported sewing machine.

And although all African countries produce their own beer, a certain Dutch beer outpaces the competition in most of them. In the area south of the Sahara, for instance, the value of beer imports is greater than the value of any other commodity imported.

U.S. agricultural exports to Africa are growing, despite the continent's rising production of farm products. In 1963, U.S. agricultural exports to Africa totaled $351.1 million, a 403-percent increase over the 1958 figure. Most of these exports moved under P.L. 480; in 1963, only 17 percent of our exports to Africa were commercial. Bigger commercial sales will come only slowly as the various nations achieve greater economic strength; meanwhile the products moving under P.L. 480 are helping establish consumption and supplier patterns of inestimable value to this country's future—as well as present—trade and political relations with Africa.

Current U.S. exports to Africa

Wheat, flour, vegetable oils, rice, poultry, nonfat dry milk, and tobacco are among the U.S. farm products going to Africa. Increases for some of these exports have been spectacular, such as that of rice to South Africa—for which market development work by the U.S. rice industry and the attaché has been largely responsible. U.S. poultry went to 20 African countries in 1964, compared to seven in 1959.

Two U.S. cooperators have offices in Africa—the Soybean Council in Morocco and Egypt, and the Rice Council in South Africa—although others, like Great Plains Wheat, carry

(Continued on page 16)

56 Million Nigerians With Rising Incomes, Big Food Needs Beckon U.S. Agricultural Exporters

Rising incomes plus protein deficits make the Federation of Nigeria one of the most promising markets in Africa today for U.S. agricultural exporters able to meet the specifications of consumers and tradesmen.

Despite plans to modernize and diversify its agricultural economy Nigeria through 1975 probably will not be able to meet the pressing needs for protein foods.

This is a major concern of the Nigerian Government, which must help meet the nutritional requirements of a population of some 56 million (largest in the African countries) that continues to increase at the rate of 2 percent each year.

In the years ahead, too, the agricultural sector more and more will be called upon to supply food to rapidly growing urban centers. The capital city of Lagos, with over 500,000 inhabitants, has almost doubled in population in the last 10 years. At least five other cities have in excess of 100,000 persons.

The economic foundation that favors the development of a U.S. market in Nigeria has strengthened measurably in the last decade.

Between 1950 and 1960, Nigeria's gross domestic product rose 42 percent, from $1.9 billion to $2.9 billion. Maintaining this 4 percent per annum increase is a key objective of Nigeria's 6-year development program (1962-68) aimed at a $1.9 billion capital investment in the public sector.

Translated into purchasing power, this would mean per capita incomes of $90-$95 by 1975 (at 1957 prices), about $10 higher than 1965 per capita estimates. Seventy percent of Nigerian incomes is spent on food. While low by comparison to incomes in industrialized countries, these income figures are still well above average for tropical Africa.

Considerably higher are average earnings of government and industrial workers who constitute a large portion of the urban population—about $500 for employees in establishments with 10 or more workers.

(Continued on next page)

Nigeria's potential to import more Western foods depends also on earnings from exports. Sales of agricultural products, accounting for about 70 percent of the country's total exports, have shown big increases, $294 million in 1953 against $581 million 10 years later. Today Nigeria ranks first as a world exporter of peanuts and palm kernels, and is a major supplier of cocoa beans, cotton, and rubber. Exports of petroleum, originally discovered in 1958, have become a big foreign exchange earner.

Mounting U.S. exports

These factors helped push U.S. agricultural exports to Nigeria to $8.8 million in 1964—virtually all for dollars—compared with cash sales of $7.6 million in 1960. The principal exports were of wheat and flour, cigarettes and unmanufactured tobacco, rice, live animals, meat, and dairy products.

Sales are expected to go considerably higher. Nigeria imposes a minimum of quantitative restrictions on imports and does not discriminate against the dollar or other currencies. Duties, on the other hand, are fairly high for certain items: rice and bakery products, 40 percent ad valorem; biscuits and all types of meat, 66⅔ percent; flour and fruit (fresh, processed, canned, and frozen), 50 percent; and butter, cheese, edible fats of all kinds, 21 cents a pound equivalent.

Good outlook for wheat

Best immediate prospects are for U.S. wheat with quality rice and U.S. nonfat dry milk possibilities.

Under the impetus of an expanding baking industry and rising incomes, Nigeria's bread consumption (5 pounds per capita) is fast increasing and a market is developing for semolina and farina. The United States—Nigeria's No. 1 wheat source—has 75 percent of the Nigerian import market. Canada, which enjoys Commonwealth preference, holds the remainder.

While Nigeria produces almost all of its rice requirements, there is still a demand for the top-quality rice that U.S. exporters are in a position to best supply. The United States and the Netherlands provide most of Nigeria's imported rice, and a substantial amount of Dutch rice is believed to be of U.S. origin. According to one firm, the key to building rice sales in Nigeria is massive distribution combined with price incentives when the brand is being introduced.

Although most of Nigeria's needs for dairy products have been supplied by the Dutch, some U.S. products are also being sold, and an American recombining firm there has plans for marketing certain dairy foods not yet available to Nigerian consumers.

Just starting to gain a foothold in Nigeria are frozen and processed foods, the demand for which will increase as more and more city dwellers are able to afford refrigerators. This year alone, Nigerians—who attach prestige to the ownership of electrical appliances—are expected to purchase from 12,000 to 16,000 refrigerators.

Getting in on the ground floor of the Nigerian agricultural market calls for analysis of the factors in doing business in this country, such as finding an importer, special packaging requirements, pricing, and the way promotion is carried out.

Wide distribution important

Regardless of the product to be marketed, a U.S. exporter would do well to follow the advice of one of Nigeria's largest firms: when entering the market with the objective of selling for mass consumption, find an importer with distribution facilities reaching back into remote areas.

American businessmen in Nigeria stress pricing and packaging. A durable package is a requisite. More than one U.S. exporter has had profits and prestige diminished by using the same type of package that serves the U.S. market, with the result that breakage and other losses were exorbitant upon the product's arrival in Nigeria.

Small packages are preferred because Nigerian consumers tend to buy for immediate needs rather than for future use; glass, metal, or plastic containers are recommended as the consumer has many end uses for them.

Preference for quality

The Nigerian, who buys products with an established reputation for quality, will ordinarily purchase the highest quality article he can afford. Too, he wants assurance of getting the same item used by Westerners, whom he tries to emulate; in one instance, lagging sales were traced to the product's label which said "especially for the West African market."

As in any country where marketing opportunities are burgeoning, sound promotion is necessary to meet keen competition from the United Kingdom, Denmark, and the Netherlands—to name only a few.

Promotional media available include five major English language newspapers and four weeklies with a combined circulation of around 630,000. Advertising rates are relatively low. A number of English and American magazines are sold in Nigeria, in addition to at least four that are published locally.

Five broadcasting stations provide radio coverage of the entire country and television coverage of Nigeria's principal cities. Radio is increasingly popular—as many as 1.5 million sets in the country with 1965 demand projected at 164,000-218,000 sets—and although there are somewhat less than 15,000 TV sets in the country, the average number of viewers per set is estimated to be 25. (U.S. Dept. of Commerce figures.)

In every case, the advertising message should be simple and direct, appealing to the buyer's aspiration for popularity and financial success.

A successful technique for reaching rural consumers—and one utilized by promoters of U.S. wheat and rice—is mobile exhibits.

Mobile exhibits for wheat and rice

The rice vans go first to the village merchants, urge them to stock up on U.S. rice, then make initial sales to the villagers drawn by the special variety shows presented by the van's operators. The wheat van, operated by a recently built flour mill, uses motion pictures interspersed with ads that are also shown at motion picture theatres.

The U.S. exporter who decides to capitalize on the marketing opportunities in Nigeria has adequate shipping facilities available to him, some equipped to carry frozen foods. A good many vessels go by indirect routes, but at least one line goes directly to Lagos, which handles most of the country's import traffic.

Importers in Nigeria should be encouraged to place their orders well in advance of the date products are needed. According to two Nigerian importers of canned goods, an average of 3 months elapses between the placing of the order and the time the merchandise is received.

While there are no public cold storage warehouses in Nigeria, such facilities may be rented from firms that import frozen food, including the well-known chain Cold Stores.

The United Kingdom's Tobacco Imports

Imports of unmanufactured tobacco into the United Kingdom in 1964 totaled 313 million pounds—down about 4 percent from the 325 million in 1963.

Larger imports from Commonwealth countries last year were more than offset by a drop in purchases of U.S. leaf. Commonwealth areas—mainly Rhodesia, Canada, and India—supplied 181 million pounds or 58 percent of total imports, to the United Kingdom in 1964. The United States supplied 123 million pounds or 39 percent of total imports, compared with 145.5 million or 45 percent of the total in 1963.

Imports of flue-cured last year amounted to 293 million pounds, compared with 305 million in 1963. Takings of U.S. flue-cured were 121 million in 1964—down from 142 million in the previous year.

Imports of flue-cured from Rhodesia, Zambia, and Malawi were 97 million pounds in 1964, compared with 92 million in 1963. Purchases of Canadian flue-cured were nearly 39 million pounds—23 percent above those of 1963. Imports of flue-cured from India, however, fell from 35.7 million in 1963 to 31.6 million last year.

U.K. TOBACCO IMPORTS

Country of origin	1962	1963 [1]	1964 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Commonwealth:			
Rhodesia, Zambia, Malawi	91,906	101,298	104,833
Canada	35,505	32,291	40,060
India	39,945	39,476	35,321
Jamaica	189	301	460
Tanzania	367	324	203
Others	336	384	334
Total	168,248	174,074	181,211
Non-Commonwealth:			
United States	105,785	145,480	122,929
South Africa, Rep. of	4,015	2,945	3,742
Netherlands [2]	1,229	1,594	3,254
Turkey	51	341	877
Greece	511	112	522
Italy	155	373	---
Others	358	103	117
Total	112,104	150,948	131,441
Grand total	280,352	325,022	312,652

[1] Preliminary; subject to revision. [2] Re-exports.
Tobacco Intelligence, London.

Vietnam's Cigarette Output Up

Cigarette output in South Vietnam continued upward through 1964. Production last year amounted to 11.9 million pounds compared with 10.9 million in 1963 and 9.7 million in 1962.

Paraguay's Tobacco Exports Set New Record

Paraguay's exports of unmanufactured tobacco last year totaled a record 27.9 million pounds. This was 26 percent above the 22.1 million in 1963 and 6 percent larger than the previous high of 26.2 million in 1962.

The average export price per pound last year was equivalent to 13.7 U.S. cents, compared with 14.3 in 1963, 11.8 in 1962, and 11.7 in 1961. Breakdown of Paraguay's 1964 exports by country of destination is not currently available.

Australian Cigarette Output Continues To Rise

Cigarette output in Australia continued its upward trend through 1964. Production last year amounted to 20,798 million pieces compared with 20,367 million in 1963 and 19,060 in 1962.

Fiber Output Down in Republic of the Congo

Production of bagging fibers in the Republic of the Congo is presently estimated at between 7,500 and 8,000 metric tons annually, or substantially below the 13,500 produced in 1958. About two-thirds of the production consists of punga fiber (*Cephalonema polyandrum*), which is harvested from wild plants, while the balance is Congo jute *(Urena lobata)*, which is planted and handled similarly to true jute. Both fibers are retted and decorticated manually.

There are two factories in the Congo—in Leopoldville and Ngidinga—which utilize locally produced fiber. The one in Leopoldville consumes about 4,200 tons of fiber annually in the manufacture of bagging cloth and bags. The other utilizes about 1,500 tons of raw fiber in making bags, carpets, and twine.

Producers are paid an average price of about Cong Fr 13.2 per kilogram (4.0 U.S. cents per lb.) for punga fiber and Cong Fr 16.2 per kilogram (4.9 U.S. cents per lb.) for urena. (Converted at the export exchange rate of Cong Fr 150 per U.S. dollar.)

Since reaching 7,818 metric tons in 1960, the Congo's exports of urena and punga have declined, dropping to 1,924 tons in 1963. Because of a virtual prohibition against fiber exports in 1964, shipments last year totaled only about 75 tons. The export prohibition was recently lifted, however, and exports are expected to exceed 1,000 tons in 1965.

Greek Cotton Crop Smaller in 1964-65

Greece's 1964-65 cotton crop is now estimated at 325,-000 bales (480 lb. net), 24 percent below the 1963-64 production of 430,000 bales. Total area devoted to the 1964-65 crop was 350,000 acres, 39 percent below the 570,000 acres planted in 1963-64.

The Government of Greece since 1960 has encouraged increased cotton production by the payment of acreage subsidies, which are usually announced well in advance of each planting season. However, the 1964-65 subsidy, equivalent to $12.15 per acre for nonirrigated cotton and $20.25 per acre for irrigated cotton (compared with $9.44 and $13.49, respectively, in 1963-64), was not announced until well after the crop had been planted. This delay, together with labor shortages and rising production costs, has been largely responsible for the decline in cotton acreage this season.

The government's early announcement that the 1965-66 subsidy will be the same as for 1964-65 may serve as a

stimulus to cotton acreage expansion next season.

Consumption of raw cotton in 1963-64 amounted to 160,000 bales, 3 percent above the 155,000 bales consumed in 1962-63. Currently, domestic demand for cotton textiles is increasing, and total consumption in 1964-65 is expected to reach 170,000 bales.

In view of the smaller 1964-65 crop, cotton exports this season are expected to fall 30 to 40 percent below the 263,000 bales shipped a year ago. Quantities shipped to principal destinations in August-December 1964, in 1,000 bales (comparable 1963 figures in parentheses), were Yugoslavia 16 (4), Poland 10 (15), Portugal 7 (5), the Netherlands 6 (5), the USSR 5 (0), Hungary 4 (14), and the United Kingdom 2 (3). Total exports in this period were 57,000 bales, compared with 83,000 in August-December 1963.

Imports of cotton into Greece amounted to 15,000 bales during August-December of the current season, compared with only 10,000 during all of 1963-64.

Beginning stocks last August 1 amounted to 74,000 bales.

Yugoslavia's Milk Production Continues To Decline

Preliminary estimates of Yugoslavia's total milk production indicate a further decline in 1964. At present, production is expected to be 5,044 million pounds, a decrease of 2 percent from 1963 and of 9 percent from the record output of 1959.

The declining production of the past few years is attributed to the shortage and high prices of feeds, low yield per cow, a smaller number of cows, and low purchase prices for milk.

Cow milk accounts for about 90 percent of Yugoslavia's milk production; sheep and goat milk, for the remainder.

Indonesia's Copra Trade

Registered exports of copra from Indonesia during the first 8 months exceeded total registered exports in both calendar 1963 and 1964. Exports by country of desination are shown below.

INDONESIA'S COPRA EXPORTS

Country of destination	1962	1963	January-August 1964
	Long tons	*Long tons*	*Long tons*
Malay, Singapore	41,887	50,504	4
Japan	11,236	4,350	6,000
China, Mainland	13,738	2,089	6,582
United States	15,817	34,258	82,492
USSR	10,705	10,156	5,250
Sweden	---	---	1,920
Yugoslavia	3,000	3,029	4,000
Switzerland	---	---	2,200
Netherlands	---	---	2,000
Mexico	---	---	753
Germany, West	8,088	---	---
Poland	2,000	---	---
Total	106,471	104,387	111,195

Central Bureau of Statistics, Djakarta.

This rise in registered exports reflects the Indonesian Government's continuing efforts to bring order to its copra export trade. However, there is still friction among State exporting agencies, the Copra Board, and private traders in copra; and smuggling and other illegal transactions reportedly have continued on a significant scale.

The Copra Board plans to make direct sales to Europe rather than sales through American traders, as in the past. Sales to Europe through U.S. firms are reflected in Indonesia's export statistics, which incorrectly show the United States as the major destination for exports.

In late 1964, Indonesia made a trial shipment of 2,000 tons of copra to the Philippines for re-export. The shipment was an implementation of a trade agreement between Indonesia and the Philippines (signed in Djakarta on May 27, 1963) calling for "mutual assistance in the marketing of coconut products." Under this agreement, 70 percent of the proceeds from the sale of the transshipped copra would be used in the procurement of Philippine goods for use in the exporting region, in this instance North Sulawesi, and 30 percent would be remitted in the form of cash to Djakarta.

Further implementation of the trade agreement has been temporarily suspended, owing to reaction from the Philippine Government and copra producers. The agreement is currently under study by the Joint Philippine-Indonesian Coconut Commission.

Nigeria's Exports of Oilseeds, Vegetable Oils

Exports of oil-bearing materials from Nigeria during the first 9 months of 1964 fell 68,094 long tons, or 8 percent, from comparable 1963 shipments. Exports of vegetable oils, however, increased 13,159 tons, or 8 percent.

NIGERIA'S EXPORTS OF SELECTED OIL-BEARING MATERIALS AND VEGETABLE OILS

Oilseeds and oils	1963	January-September 1963	January-September 1964[1]
Oilseeds:	*Long tons*	*Long tons*	*Long tons*
Peanuts, shelled	614,166	458,331	419,040
Palm kernels	398,307	315,867	304,145
Cottonseed	65,515	48,175	45,856
Sesameseed	15,470	7,472	10,375
Soybeans	27,452	25,397	7,609
Copra	2,776	2,176	6,278
Shea nuts	22,711	8,983	5,153
Castorbeans	348	348	168
Oilseeds, unspecified	241	155	186
Total	1,146,986	866,904	798,810
Oils:			
Peanut oil	69,374	46,891	48,160
Palm oil, technical	6,762	4,330	3,102
Palm oil, edible	118,921	103,140	116,578
Palm kernel oil	3,153	3,003	513
Vegetable oils[2]	2,038	2,038	2,505
Vegetable oils[3]	38	2	1,705
Total	200,286	159,404	172,563

[1] Preliminary. [2] Soybeans, cottonseed, sunflowerseed, rapeseed, and mustardseed. [3] Linseed, coconut, castor, and fixed vegetable oils not elsewhere specified.

Federal Department of Statistics, Lagos, Nigeria.

Turkish Edible Oil Situation

Turkey's 1964-65 edible vegetable oil production is now estimated at 221,000 metric tons—one-third above the 165,900 tons produced in 1963-64. The current estimate is somewhat above the preliminary estimate (*Foreign Agriculture,* Nov. 30, 1964), chiefly reflecting increased estimates for olive oil and sunflowerseed production.

Total supplies of edible vegetable oils in 1964-65 are expected to increase by only 12 percent, reflecting sharply reduced imports of soybean and cottonseed oils from the United States under Title I of Public Law 480. The increase will probably allow expansion in domestic con-

sumption for food, as well as increases in olive oil exports. In recent years, shipments of vegetable oils under Title I of P.L. 480 have helped to facilitate a gradual increase in the per capita consumption of oils and fats, especially during periods of shortages of domestically produced oils.

Exports of edible olive oil from Turkey in 1964-65 are expected to rise sharply from the small volume of 1963-64, reflecting increased availabilities as well as more favorable prices in world markets. Exporters anticipate sharply increased shipments to Italy, the major olive oil importer, because of that country's small outturn in 1964-65.

The sharp rise in Turkey's production of sunflowerseed oil reflects a marked rise in plantings, largely of the new Russian varieties which are resistant to *Orobanche*. The gain also reflects the higher average oil extraction rate obtained from these new varieties.

TURKEY'S SUPPLY AND DISTRIBUTION OF EDIBLE VEGETABLE FATS AND OILS

Supply and distribution	1960-61	1961-62	1962-63	1963-64[1]	1964-65[2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
SUPPLY					
Stocks, November 1	79.9	19.8	43.7	38.2	66.6
Production:					
Cottonseed	38.0	46.5	54.0	57.0	63.0
Peanut[3]	---	8.5	11.5	10.8	10.8
Soybean[3]	---	.7	1.0	.4	.4
Sunflower	19.7	15.6	10.8	16.8	36.0
Sesame	7.3	6.7	8.0	7.9	5.8
Olive	45.2	90.0	50.0	65.0	100.0
Others[3]	6.6	7.0	8.0	8.0	5.0
Total	116.8	175.0	143.3	165.9	221.0
Imports:					
Cottonseed	---	15.0	18.0	21.7	1.7
Soybean	---	35.0	39.5	52.2	22.0
Total	---	50.0	57.5	73.9	23.7
Total supply	196.7	244.8	244.5	278.0	311.3
DISTRIBUTION					
Human consumption:					
Cottonseed	55.0	57.0	60.0	62.0	65.0
Peanut	---	7.4	10.3	10.0	10.0
Soybean	19.4	16.9	35.0	40.0	30.0
Sunflower	17.6	14.0	9.8	15.0	30.0
Sesame	5.2	6.0	7.0	7.0	5.0
Olive	39.0	45.0	35.0	42.0	55.0
Others	3.5	4.6	4.5	4.0	2.5
Total	139.7	150.9	161.6	180.0	197.5
Exports:					
Peanut[3]	.1	1.1	.8	.5	
Olive	.2	21.3	19.5	2.1	17.0
Others[3]	2.7	1.9	.9	1.3	
Total	3.0	24.3	21.2	3.9	17.0
Industrial uses	34.2	25.9	23.5	27.5	21.8
Stocks, October 31	19.8	43.7	38.2	66.6	75.0
Total distribution	196.7	244.8	244.5	278.0	311.3

[1] Preliminary. [2] Unofficial estimate. [3] Includes oil equivalent of oilseeds.

Compiled from official and other sources. Data for marketing year beginning November 1.

Fishmeal Production and Exports by FEO Members

Production and exports of fishmeal by the six member countries of the Fishmeal Exporter's Organization (FEO) in calendar 1964 increased 34 and 28 percent, respectively, from the respective quantities in 1963.

The FEO member countries account for over 90 percent of world exports of fishmeal. Peru, the leading producer, accounted for 66 percent of total fishmeal exports by FEO countries in 1964; South Africa, 11 percent; Norway, 8 percent; Iceland, 6 percent; Chile, 6 percent; Angola, 3.

FISHMEAL PRODUCTION AND EXPORTS BY FEO COUNTRIES

Country	Production 1963	Production 1964	Exports 1963	Exports 1964
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Angola	31.5	[1]57.7	30.0	[1]56.0
Chile	92.7	147.0	86.8	137.8
Iceland	87.7	127.7	99.1	124.3
Norway	132.2	185.9	102.1	179.4
Peru	1,159.2	1,552.2	1,159.3	1,416.5
South Africa	238.0	257.4	198.8	226.5
Total	1,741.3	2,327.9	1,678.0	2,140.5

[1] Estimated.

Fishmeal Exporter's Organization, Paris.

Australian Whale Oil Output

Australia's output of sperm whale oil in 1964 rose to an estimated 5,160 short tons from 4,551 in 1963, even though the number of operating land stations had been reduced from two to one.

Operations at this station—which is in Western Australia —were restricted to the catching of sperm whales. In 1963, there had been some humpback whaling in Western Australia. However, results were poor with only about 717 tons of oil produced.

Nigeria's Peanut Purchases as of February 25

Licensed buying agents (LBA's) for the Northern Region Marketing Board of Nigeria report that peanut purchases for export and crushing from the 1964 crop totaled 654,203 long tons, shelled basis, as of February 25. This was 14 percent less than purchases of 759,898 tons as of the comparable date last year. This volume of purchases exceeds by 6 percent the unofficial forecast of total commercial production, which was based on declared purchases as of about January 21 (*Foreign Agriculture*, March 1, 1965).

Deliveries to the crushers as of February 25 were 80,307 tons compared with 64,613 tons on the comparable date in 1964.

WORLD CROPS AND MARKETS INDEX

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Africa's Cocoa and Coffee Situation

(Continued from page 6)

selves which stipulated, among other things, that when the world price fell below an established indicator price (23.75 cents per pound for the 1964-65 season) for 10 days, they would withhold cocoa from the market. This they did last fall, withdrawing from the market for 14 weeks, during which time consuming countries (the U.S. is the world's largest) had heavy stocks to fall back on.

Problems probably can be resolved

What's ahead for the African cocoa-producing countries? Will they cut back acreage, diversify crops? Is their problem permanent or temporary?

There is little likelihood that acreage will be reduced, since most of Africa's cocoa is grown on small holdings of 3 to 5 acres, and it is a necessary income producer for African farmers. However, with decreased income, farmers may have to curtail measures of disease and pest control. The Ivory Coast has already intensified production of such cash crops as bananas, pineapples, and oil palm, while Nigeria is increasing acreages of oil palm and rubber.

Cocoa consumption has been increasing, but it lags behind the sharp rise in production. However, no more than half of the world's people eat chocolate; thus there is a tremendous latent potential for raising the number of consumers. Recently sales have increased to Japan, the USSR, and the East European countries, where consumption is very low.

Unlike coffee, cocoa stocks traditionally have been held in consuming countries. Many African cocoa-producing nations are attempting to industrialize by building cocoa-processing plants and storage facilities, and this change in marketing will enable producers to cope more readily with years of high production—provided capital is available to hold both coffee and cocoa stocks. Also, intensified efforts are being made to find nontraditional uses for cocoa. And should negotiations be resumed for a producer-consumer cocoa agreement, such a move could bring about a better supply and demand situation. Still, all of these efforts take time as well as money, so the cocoa-growing countries have a few years of uncertainty ahead.

Prepared in the Sugar and Tropical Products Division of the Foreign Agricultural Service.

Developing Markets for U.S. Products in Africa

(Continued from page 11)

on programs in those countries where the potential is deemed the greatest.

Much of the work of finding and developing markets for U.S. farm products is carried on by U.S. agricultural attachés at eight posts in Africa. They play a vital role in establishing mutually helpful relationships with key people in government and trade. They not only promote U.S. farm products, but provide U.S. producers and exporters with a steady flow of information on market opportunities and the kind of developmental work needed to bring them to fruition.

U.S. market development activities

Limited market development funds have been made to go a long way. Bringing trade teams here and sending U.S. technicians to Africa have had good results.

A trip by an Angolan-Mozambique-Portuguese wheat team to the United States in 1963 is said to be largely responsible for the enthusiasm of Angolan millers for U.S. wheat. Wheat teams from South Africa and Southern Rhodesia have had similar results. A U.S. technician sent to Morocco showed oil processors how to make a more acceptable table oil with the result that the amount of soybean oil included in the blend went from 15 to 50 percent.

U.S. exports to Africa could be increased in ways too numerous to mention. For instance: In the Congo (Leopoldville) and nearby countries, U.S. firms could encourage local investment in distribution, since imports and distribution are now dominated by European interests favoring traditional lines of supply...In West Africa, promote more sophisticated processed foods among the higher income group whose buying habits are copied by those whose purchasing power is on the way up...In Libya, increasing oil revenue is creating a small but desirable dollar market for food products.

The amount and kind of market development carried on in Africa by U.S. exporters must be tailored to funds available, the results obtainable, and the wide variety of conditions that exist. However, there seems little doubt that it would be shortsighted to overlook the potential of Africa. The markets of tomorrow need to be won today.